

LONG ISLAND POWER AUTHORITY

MINUTES OF THE 198th MEETING

HELD ON APRIL 23, 2009

Pursuant to notice dated April 20, 2009, the Long Island Power Authority (the "Authority") was convened for the one hundred and ninety eighth time at 11:20 AM at the Omni Teleconference Center, in Uniondale, NY.

The following Trustees of the Authority were present:

**Howard Steinberg, Acting Chairman
Laurence Belinsky
Cristofer Damianos
Lawrence Elovich
John Fabio
Michael Fragin
Christopher Hahn
James Herrmann
Susan Gordon Ryan
Jonathan Sinnreich
Lawrence Waldman**

The following Trustees of the Authority were absent:

**Harriet Gilliam
Suzette Smookler**

Representing the Authority were Kevin S. Law, President and Chief Executive Officer; Lynda Nicolino, General Counsel and Secretary; and Kenneth Kane, Acting Department Head of Finance and Controller. Also present were Michael Deering, Vice President-Environmental Affairs; Edward Dumas, Vice President-Communications; Michael Hervey, Vice President-Operations; and Sam Lee, Acting Department Head of Power Markets.

Acting Chairman Steinberg addressed the audience and called the meeting to order.

The Acting Chairman stated that this is the April meeting of the Long Island Power Authority pursuant to notice duly given. He led the Board in a moment of silence, followed by the Pledge of Allegiance.

Acting Chairman Steinberg made a motion to accept the minutes of the March 26, 2009 meeting of the Board of Trustees. He asked if there were any changes or deletions.

Upon noting that there were none, a motion was duly made and seconded, and the following resolution was approved.

920. APPROVAL OF MINUTES AND RATIFICATION OF ACTIONS TAKEN AT THE MARCH 26, 2009 MEETING OF THE BOARD OF TRUSTEES OF THE LONG ISLAND POWER AUTHORITY

RESOLVED, that the Minutes of the meeting of the Authority held on March 26, 2009 are hereby approved and all actions taken by the Trustees present at such meeting, as set forth in such Minutes, are hereby in all respects ratified and approved as actions of the Authority.

* * *

Acting Chairman Steinberg stated that he wanted to reiterate the commitment of the Trustees and President Law to maintain their focus on LIPA's rates. He continued that yesterday, the Public Service Commission approved a rate increase for Con Edison of \$750 million, which is another six-percent rate increase for Con Edison customers.

Acting Chairman Steinberg stated that the Board has spent a lot of time talking about the vulnerability of LIPA's rates to commodity prices, particularly oil and natural gas. He continued that as most people are aware, natural gas prices, in particular, have been falling recently, from which LIPA should benefit. He added that he would let President Law get into the details of the falling gas prices, but noted that the Board has a bit of good news for the ratepayers.

Acting Chairman Steinberg turned the meeting over to President Law for his report.

President Law reported that it is nice to deliver some good news for a change and that Long Island and the region could certainly use some. He explained that because of the falling price of natural gas, which is the primary fuel being burned on Long Island, LIPA is in a position to reduce its Power Supply Charge. He explained that more than 92 percent of all fuel used is natural gas.

President Law reported that back in December, based on what was being forecasted at that time, LIPA felt that there was a need, for several reasons, to increase the Power Supply Charge. He continued that after the first quarter of 2009, ending March 31, LIPA is now projecting some significant over-recoveries for the balance of 2009. He added that the forward price of natural gas for the balance of 2009 is expected to continue to be lower than budgeted, which puts LIPA in a position to lower its Power Supply Charge. He noted that it will be the second largest cut of the Power Supply Charge in LIPA's history.

President Law reported that the cut in the Power Supply Charge will be a little over six percent, which will result in a 3.2 percent bill impact. He continued that the 3.2 percent increase that went into effect in January will be eliminated entirely. He added that LIPA will continue to monitor the cost of commodities – natural gas and oil – and may be in a position to lower the Power Supply Charge again later this year. He noted that it is difficult to project the cost of commodities

as demonstrated by last year, when the cost of a barrel of oil went from \$147 down to the low \$30's and then back up to where it is today, around \$50.

President Law reported that LIPA's budget staff will continue to monitor commodity prices and make further recommendations regarding the Power Supply Charge going forward. He noted that this reduction relates to the Power Supply Charge, not the Delivery Charge, which still has a lot of significant pressures which LIPA continues to monitor and manage. He noted that LIPA will deal with those pressures later in the year as it prepares the 2010 budget.

President Law reported that overall, it is good news. He continued that he has been in the position to increase rates, and now is in the position to decrease rates, and he can say, without a doubt, that it is much more pleasant to decrease rates.

President Law reported that since the last Board meeting, LIPA has held three public hearings regarding its Energy Master Plan. He continued that LIPA received a lot of terrific comments from the public, which LIPA is now reviewing. He added that there is one last exhibit to be posted to the LIPA website, and that as he had promised some of the speakers at the last meeting, LIPA will keep the written comment period open for thirty days after the last exhibit is posted, which he expects to be in about another week. He noted that he hopes to have the Master Plan finalized some time this summer.

President Law reported that as for the 50-megawatt solar RFP, LIPA is continuing to negotiate with the firms that the Board had authorized at the last meeting. He continued that the project is still on track, and that he hopes to come back to the Board with an approved agreement with one or more of the companies at the June 2009 meeting.

President Law reported that LIPA's Solar Pioneer program is booming. He continued that LIPA has been receiving a lot of interest in the program, and that there is concern that the budgeted funds, which were increased by 75 percent in 2009, could run short. He added that he is working with the Governor's Office to see if LIPA can obtain stimulus funds to fill a gap that may occur later in the year. He noted that it is a very successful program, which has had over 1700 total participants, with about 500 enrolling in the past year.

President Law reported that as for LIPA's exploration of its offshore wind project with Con Ed, Con Ed and LIPA have formed a collaborative with other state agencies over the past week. He continued that LIPA and Con Ed are working with the City of New York and other state authorities who could partner with LIPA and Con Ed by purchasing power from them. He added that if this project makes sense, LIPA and Con Ed will issue a Request for Expressions of Interest in the spring. He noted that he will continue to keep the Board involved and the community informed before LIPA issues a Request for Proposals. He

expressed that he hopes the project makes sense because it would be very exciting, and it would be the largest offshore wind project in the country.

President Law reported that LIPA is continuing with its due diligence on its repowering opportunity and the possibility of getting into the generation side of the business with National Grid. He added that there will be more to share with the Board at the June meeting, and that he will have another update for the Board at the May meeting.

President Law reported that LIPA is continuing to work weekly on its efforts to secure stimulus dollars. He continued that LIPA participates in a number of different committees. He added that he is on the Governor's Stimulus Cabinet, and that Mike Deering and Matt Cohen meet regularly with those working groups. He stated that LIPA is constantly receiving information from the Department of Energy as it relates to opportunities for funding for all of LIPA's efficiency and renewable programs. He noted that LIPA is as prepared as it can be.

President Law reported that other than the commitment LIPA received for help with the 50 megawatts of solar, which LIPA greatly appreciates, there have been no other commitments as of yet. He stated that LIPA will continue to apply for monies for smart grids, smart meters, LIPA's solar and renewable programs,

as well as its efficiency program. He added that LIPA is applying for money to the extent that there will be some available, which he thinks there will be.

President Law reported that LIPA put out a Request for Proposals this week to hire a land use consultant to determine what LIPA should do with the Shoreham Nuclear Power Plant. He added that he is working with an advisory committee made up of elected officials and community members in the Shoreham area.

President Law reported that LIPA owes it to its customers and ratepayers to come up with a plan to deal with the Shoreham property. He continued that LIPA should view it as an asset, despite most viewing it as a liability. He expressed interest in seeing what LIPA can do in terms of coming up with a plan for the property. He noted that he will keep the Board posted as the procurement process proceeds.

President Law reported that over the last month he has given a presentation to the Board of Directors of the Long Island Association (“LIA”). He continued that yesterday he spoke at SUNY Farmingdale’s Earth Day celebration. He added that he has had more meetings with the Stimulus Cabinet.

President Law reported that he had the pleasure of speaking before the IBEW 1049 members the other night to address some of their concerns. He

continued that the members support and appreciate the great partnership that LIPA has with their union. He stated that the members have concerns regarding where LIPA may be headed with repowering, smart metering, and other similar matters. He added that he told the members that LIPA is looking to do things not to hurt them, but to help LIPA's customers. He noted that he is sensitive to the members' needs and the fact that they have given up their lives taking care of LIPA's system for the last 30 or more years, for which he has great respect.

President Law reported that he told the union members that they would be factored into every decision that LIPA makes because they do a great job for LIPA, whether it is manning the phones, reading the meters, or keeping the lights on. He added that he thanked the members for the work they do.

President Law reported that he had the pleasure of meeting with the Secretary of the Department of the Interior, Ken Salazar, in New Jersey a couple of weeks ago. He stated that he briefed Secretary Salazar on the possibility of LIPA's offshore wind farm. He continued that Secretary Salazar was very excited and supportive of the possibility. He added that he and Kevin Burke, the President of Con Edison, sent Secretary Salazar a letter thanking him for his interest and asking for his support as LIPA and Con Edison continue to explore whether a wind farm makes sense.

President Law reported that just this week, he had the pleasure of being with Tom Kullen, the head of King Kullen, and its subsidiary, Wild by Nature, when LIPA and National Grid partnered with him to make the first Gold LEED certified supermarket in the Country. He explained that this was done right in Nassau County in Oceanside. He added that it is the most energy efficient supermarket on Long Island.

President Law reported that LIPA needs to continue to invest in energy efficiency. He stated that it is the next best resource, and getting LIPA's commercial customers involved is really going to be one of the keys to LIPA's success with energy efficiency. He noted that it was a pleasure to be involved with the Kullen Family on that matter.

President Law concluded his report.

Trustee Sinnreich asked President Law about a study done on the Shoreham site and the costs of dismantling the plant twelve years ago.

President Law confirmed that there was a study done, which LIPA will share with the consultant. He stated that LIPA is not going to have to reinvent the wheel when it comes to that issue. He continued that LIPA is looking for the consultant to assist in determining what a good adaptive reuse of the property would be that is consistent with both what the community desires and the

fiduciary duty that LIPA has to its ratepayers, giving ratepayers the maximum benefit. He noted that he will share the previously performed study with the consultant.

Trustee Sinnreich stated that his recollection of the twelve year old study is that the cost, at that time, of dismantling and disposing of what is left of the plant exceeded \$100 million just to dismantle the concrete.

President Law stated that he will ask the consultant to look into plans that would keep the plant there so as to avoid any dismantling costs. He continued that there may be a lot of other demolition costs. He added that Trustee Sinnreich is correct, and that if somebody were to propose a use involving the demolition of the plant, it may be cost prohibitive.

Trustee Fragin stated that he wanted to make a comment relating to taxes. He continued that the State Budget passed, and in it there was another imposition on LIPA and LIPA's customers of one percent in revenue taxes. He added that it is worthwhile to mention to the ratepayers that LIPA provides electricity and collects taxes for other government entities. He noted that it is obviously an increasing burden.

Trustee Fragin stated that he thinks there should be a little bit of outrage among Long Islanders that a public entity such as LIPA should be helping to

balance the State Budget. He continued that he understands that everyone has to do a certain amount to help, but disagrees that a public authority, such as LIPA, should have to collect another one percent to throw into the State coffers instead of leaving it on Long Island where it can help residents most. He added that he knows that President Law has committed to not increasing rates by the one percent, but that it creates other economic pressures on the Authority, which deserves mention here. He thanked President Law for promising not to raise the rates by one percent, but noted that he thinks that this is something that LIPA needs to continue to protest.

President Law stated that he wanted to clarify that he did not promise not to raise rates. He continued that what he promised, is to do everything he can to avoid passing on the tax to the ratepayers. He added that what that means is that LIPA has to come up with \$40 million in other savings. He noted that this is also something that would be on the delivery side of the bill.

President Law stated that he has asked David Feldman, LIPA's Budget Director, to share with him a list of all of the taxes that LIPA pays, whether it is sales tax, revenue tax, PILOTS, or property tax. He continued that LIPA does need to take a look at all of those taxes because, as has correctly been pointed out, LIPA pays one half of one billion dollars a year in taxes. He added that if LIPA did not have to pay those taxes, it could cut rates by eleven percent for LIPA's

customers. He noted that LIPA is indeed taking a look at the issue and will report back to the Board.

Acting Chairman Steinberg stated that he would like to add to what President Law said. He continued that he thinks it is a priority for the Board to come to grips with the issue and make some decisions over the next couple of months. He noted that there may be some difficult decisions, but that the Board needs to look at it and make them. The Acting Chairman then recognized Trustee Hahn.

Trustee Hahn stated that he was very proud of the work that President Law does with energy efficiency. He continued that supermarkets are among the highest users of energy because of the amount of refrigeration that they use. He added that if every supermarket on Long Island did what was done in Oceanside at Wild by Nature, it would have a dramatic effect on rates because there would be less supply needed. He noted that again, it is great work by President Law and the LIPA team, and that he thinks that LIPA's customers should be very happy with the news President Law is delivering regarding rates.

Acting Chairman Steinberg stated that he had one quick comment with respect to the stimulus funds. He continued that it would be nice if some of the same community groups and legislators, who were generally so vocal on LIPA issues, would be vocal on the stimulus issues. He added that the stimulus

moneys that LIPA is looking at are for the benefit of LIPA ratepayers, and it would be nice to hear some more vocal support.

Acting chairman Steinberg stated that the financial report would be next, to be delivered by Kenneth Kane.

Mr. Kane reported that for the first quarter, LIPA generated expenses in excess of revenues of approximately \$54 million, or approximately two times what was budgeted of \$26 million. He continued that revenue of \$834 million was \$3 million below budget primarily as a result of lower average pricing.

Mr. Kane reported that fuel and purchase power costs of \$467 million exceeded the budget by \$9 million, or approximately two percent. He continued that this was the result of higher sales primarily driven by weather that equated to \$6 million and higher than budgeted derivative settlements of approximately \$3 million. He noted that in the fuel and purchase power line, LIPA recorded a non-cash regulatory charge, of \$52 million to offset the lower than budgeted commodity cost in accordance with LIPA's Fuel and Power Purchase Cost Adjustment (FPPCA).

Mr. Kane reported that operations and maintenance costs were \$212 million, which is approximately \$13 million above the budget or about seven percent. He continued that this was due to higher variable MSA fees, which was

driven by higher sales of approximately \$2 million and a higher PSA cost of \$13 million. He added that the PSA charge is associated with the FERC reset proceeding and is subject to refund pending the outcome of the proceeding. He noted that the increases in the operating and maintenance costs were somewhat offset by lower than budgeted Efficiency Long Island costs, which are timing related costs that should turn around before the end of the year.

Mr. Kane reported that other income and deductions is \$4.7 million below budget due to lower investment income resulting from lower rates of return and lower than budgeted investment balances. He added that interest expense is \$2.3 million below budget due to lower than budgeted variable interest rates. He noted that by the end of the year, LIPA should be within its financial target.

Mr. Kane reported that as of March 31, 2009, the Authority had cash and investments of \$462 million: \$211 in the Construction fund, \$153 million in the Rate Stabilization Fund, and nearly \$100 million in the Operating Fund. He continued that approximately 30 percent of LIPA's investments are currently liquid and 69 percent have maturities that are due in less than ninety days. Mr. Kane concluded his report.

Acting Chairman Steinberg asked if LIPA anticipates continuing to build cash.

Mr. Kane explained that traditionally, as LIPA enters into the summer, it converts the summer sales into cash. He continued that LIPA should end the summer, going into early winter, with higher cash balances than it currently has.

Acting Chairman Steinberg then asked Mike Hervey to present the operating report.

Mr. Hervey reported that in response to a request made at the last Board meeting, he has provided the Board with a new report, entitled “LIPA Generation by Fuel” which will be incorporated into the report going forward. The report is a mix of generation by fuel for the past twelve months as well as the past month. He stated that nuclear purchases, PJM purchases, New York ISO and New England ISO purchases, total 59 percent of LIPA’s generation mix. He continued that on top of that, another 28 percent is from on-Island generation, and as President Law indicated earlier, primarily from natural gas-fired sources for the past several months. He added that the off-Island resources plus the on-Island natural gas resources are approximately 87 percent of the entire generation used in March. He noted that 28 percent of on-Island gas generation is also bounded by the large amount of natural gas generation included in the off-Island purchases. He pointed out that most off-Island purchases are also natural gas.

Mr. Hervey reported on the actual load growth goals for 2009. He continued that in 2009, LIPA’s goals did take into account the downturn in the economy. He

added that when LIPA set the goals, and even to this date, LIPA is under-running the growth to some extent. He explained that the data used is gleaned from many sources, including developers, builders, and businesses who share their expectations with LIPA. He noted that as LIPA looks to the end of the year, there is some optimism among the business community that load growth will pick back up.

Mr. Hervey reported next on the status of LIPA's system reliability. He stated that Long Island has had an extraordinarily good run of favorable weather, which has had a positive effect on the electric system. He continued that since the third week of December, Long Island has only had one significant storm event. He added that this, in combination with LIPA's reliability programs or maintenance programs, as well as the capital programs, is reflected in the system's reliability.

Mr. Hervey reported that the System Average Interruption Duration Index (SAIDI) is moving from adequate to downward, which is good in this case. He explained that the SAIDI moved from a starting point of about 63 minutes at the beginning of the year down to about 53 minutes at the current time. He noted that it is still trending downward.

Mr. Hervey reported that one of the components of the SAIDI metric is the frequency of interruptions. He continued that this frequency is also trending

downward. He added that LIPA is at a point now where it has the best reliability performance relative to frequency of interruptions that it has ever had. He noted that the average customer is only seeing an interruption approximately every nineteen months.

Mr. Hervey reported on the Customer Average Interruption Duration Index (CAIDI). He stated that as reported over the past year, it has been a challenge for LIPA. He continued that part of the explanation of that challenge is, what LIPA has been saying all along, that the large number of storms in 2008 compared to 2009, as well as the programs put into place, have led to a better CAIDI. He added that the CAIDI is trending down from approximately 83 minutes to 80 minutes.

Mr. Hervey reported on LIPA's momentary interruptions. He stated that as a result of good weather, the Momentary Average Interruption Frequency Index (MAIFI) has fallen dramatically from 5.6 interruptions per customer per year down to around 5 interruptions per year per customer. Mr. Hervey concluded his report.

Trustee Sinnreich asked if LIPA tracks separately the cost per kilowatt hour for each of the fuel sources.

Mr. Hervey explained that LIPA both models the cost of each fuel source prospectively in forming its annual plans and it monitors them as it goes along.

Trustee Sinnreich asked if LIPA would know the cost per kilowatt hour of refuse or renewables. He further asked if that information is either publicly available or at least available to the Trustees.

Mr. Hervey stated that LIPA does know that, and it is something on which he could brief the Trustees. He continued that real-time price information is very sensitive from a market standpoint, but he would be willing to brief the Trustees.

Trustee Sinnreich asked for a 12 month trailing number. He explained that he would be interested in being briefed on that. Acting Chairman Steinberg agreed that this would be a good idea.

Trustee Sinnreich also noted that renewables include landfill gas, and he asked if that was referring to co-generation power.

Mr. Hervey stated that was correct. He explained that the renewables shown include landfill gas and the Bear Swamp renewable energy credits that LIPA receives from that particular contract. He continued that LIPA has this generation source that comes off of landfill gas. He added that the definition may include one of the particular generators that LIPA has on the system. He noted that it may also include co-generation as Trustee Sinnreich indicated.

Trustee Sinnreich asked if the definition of renewables was the same as defined in the State mandate. He further asked how LIPA is reporting that and whether landfill gas is included in that number.

Mr. Hervey stated that the number that is shown is not exactly the same, and that he will try to bring the definitions together better in future reports. He noted that he will get back to Trustee Sinnreich on his specific question.

Trustee Sinnreich noted that he thinks it would be helpful that when LIPA uses the word renewable, it is consistent with the State definition.

Acting Chairman Steinberg noted that the chart was great and asked Mr. Hervey if this is a report that will be produced for the Board every month.

Mr. Hervey stated that yes, he intends on producing it each month. He continued that future reports would be more detailed, for example by breaking down New England ISO and New York ISO purchases and sales.

Trustee Hahn asked a question regarding the added load. He stated that it seems that there is a significant difference between year-to-date actual and projections over time. He asked how LIPA intends to make up that gap since the year is only partially over, and also, what the significant impact to LIPA would be should those goals not be met.

Mr. Hervey stated that goals rely on two items. He explained that the first item is the effectiveness of LIPA's marketing workforce to go out and intercept the projects as they are known to LIPA and to press for electrical technology versus some other energy source. He explained that the second, larger, item is who is building new buildings and putting new load on the line. He added that what LIPA is seeing is that towards the end of the year, developers are reporting to LIPA that there is an expectation that new load will be coming on line. He noted that since the amount in question is relatively modest compared to LIPA's overall sales, the net result of making or not making the goal by a small amount will only have a limited effect on LIPA's financial condition.

Acting Chairman Steinberg stated that the next item on the agenda is the consideration of the authorization to approve and execute a settlement agreement with the LIRR. After requesting a motion on the matter, which was seconded, the Acting Chairman indicated that the matter would be presented by Ms. Nicolino.

Ms. Nicolino stated that the Trustees are being requested to approve a resolution authorizing the President and CEO, or his designee, to execute a settlement agreement, a "Traction Power Service Agreement", and right-of-way agreements between the Long Island Power Authority, and its wholly-owned subsidiary, the Long Island Lighting Company, d/b/a LIPA, (together "LIPA"), and the Long Island Railroad ("LIRR"), in connection with the provision of power

supply by LIPA to LIRR and the grant of easement rights by LIRR to LIPA. She continued that the LIRR has been paying LILCO, and now LIPA, to supply electricity for train propulsion, or “traction service,” at a negotiated rate pursuant to a 30-year contract (the “Traction Power Service Agreement”). She added that similarly, LILCO and now LIPA, has been paying LIRR for the easement rights to place power lines along LIRR rights of way (“ROWS”) pursuant to negotiated rental amounts under multiple long-term agreements (“ROW Agreements”). She noted that in the 2003-04 timeframe, all of these agreements expired, after which each party sought to increase the amounts to be collected from the other based on the increased cost and values.

Ms. Nicolino stated that in June 2004, LIPA and LIRR signed a standstill agreement to allow for, among other things, the continued provision of service to each other while negotiation of the new agreements was underway. She continued that in the meantime, LIPA has been billing the LIRR for traction service under a standard tariff rate for commercial customers at the primary service level. She added that the LIRR has only been paying, however, an amount equal to what they believe to be due to LIPA under the old contract. She noted that similarly the LIRR has been billing LIPA for utilization of its easement at increased rates based on new appraised values obtained by the LIRR in 2004. However, LIPA has only been paying the amounts due under the previously existing agreements.

She stated that recently, the parties were able to reach agreement on these outstanding billing issues, as well as on the rates and charges proposed under a new Traction Power Service Agreement and new ROW Agreements.

Ms. Nicolino stated that pursuant to this proposed settlement, the parties have agreed that with respect to the outstanding billing issues related to providing traction service, LIRR would pay LIPA approximately \$19 million. She continued that with respect to the easement values, LIPA would pay the LIRR approximately \$18.3 million. She added that these calculations include an agreement on the retroactive nature of those billing periods. She noted that if paid, these payments will result in a net payment to LIPA of \$700,000, and that all late payment charges and any interest charges related thereto would be waived for both parties.

Ms. Nicolino stated that the proposed settlement also provides that the parties would enter into a new, ten-year agreement for traction service, under which LIPA would charge LIRR the base rates specified for SC 2-MRP commercial customers at transmission voltage, which would be separate for each meter utilized, based on the highest recorded demand over a 30-minute interval. She continued that the base rate would be fixed for a ten-year period and would vary for volume only. She added that according to the new ROW agreements, also proposed to be for ten-year periods, LIPA would be charged approximately \$7.5 million annually, which would include three additional easement areas added

between 2004-2006, also on a fixed basis, varying only for changes in the easement area, as designated by LIPA. She noted that all of these agreements would be effective for the period of January 1, 2009 through December 31, 2018, and would contain two successive options to renew for an additional five years each, subject to the mutual consent of the parties.

Ms. Nicolino stated that LIPA Staff recommends approval of the proposed settlement agreement because it believes that the proposed retroactive billed rate and prospective billed rate for traction service is reflective of LIPA's cost to provide such service and because the increased rental value for the easement agreement is consistent with the independent appraisal LIPA obtained in this matter. She continued that staff believes that the mutual agreement to freeze rates going forward for 10 years is consistent with providing better cost predictability to both sister authorities serving a similar customer base and poses limited risk to LIPA.

Ms. Nicolino stated that based on the foregoing, staff recommends approval of the above-requested action by adoption of a resolution in the form of the attached draft resolution.

Acting Chairman Steinberg asked for questions from the Trustees, hearing no questions or comments, Acting Chairman Steinberg stated that it has been observed in the past that it is really unfortunate when government agencies

decide to settle disagreements through litigation rather than negotiation. He added that it is particularly disturbing when LIPA is subjected to the kinds of lawsuits that it has seen in recent years. He noted that he is very happy that this matter has been settled by governmental agencies through discussion and negotiation. He expressed that he feels that the settlement is a fair one.

Acting Chairman Steinberg asked for public comment. After hearing none, Acting Chairman Steinberg called for a vote on the motion, which was approved with Trustee Sinnreich abstaining.

921. AUTHORIZATION TO EXECUTE SETTLEMENT AGREEMENT AND OTHER RELATED AGREEMENTS WITH THE LONG ISLAND RAILROAD

WHEREAS, the Long Island Railroad (“LIRR”) has been paying LILCO, and now LIPA, to supply electricity for train propulsion, or “traction service,” at a negotiated rate pursuant to a 30-year contract (the “Traction Power Service Agreement”); and

WHEREAS, LILCO and now LIPA, has been paying LIRR for the easement rights to place power lines along LIRR rights of way (“ROWS”) pursuant to negotiated rental amounts under multiple long-term agreements (“ROW Agreements”); and

WHEREAS, in the 2003-04 timeframe, all of these agreements expired, after which each party sought to increase the amounts to be collected from the other under new agreements; and

WHEREAS, in June 2004, LIPA and LIRR signed a standstill agreement to allow for, among other things, the continued provision of service to each other while negotiation of the new agreements was underway; and

WHEREAS, the parties have recently agreed on a proposed settlement of both the outstanding billing issues related to the expired agreements, as well as the rates and charges proposed under new, long-term agreements; and

WHEREAS, with respect to the outstanding billing issues, the proposed settlement provides that, as more fully set forth in the accompanying memorandum, LIRR would pay LIPA approximately \$19 million for traction service retroactive to July 2004, and LIPA would pay LIRR approximately \$18.3 million for the ROW rental retroactive to February 2006, resulting in a net payment to LIPA of \$700,000; and

WHEREAS, as more fully set forth in the accompanying memorandum, the proposed settlement also provides that the parties would enter into a new, ten-year Traction Power Service Agreement, under which LIPA would charge LIRR an agreed-upon tariff-based rate for traction service, as well as new, ten-year ROW Agreements, under which LIPA would pay a fixed rental amount based on an agreed-upon appraised value for all of the easement areas; and

WHEREAS, for the reasons set forth in the accompanying memorandum, LIPA Staff believes that approving the proposed settlement agreement and related new agreements is in the best interest of its customers:

NOW THEREFORE BE IT RESOLVED, that consistent with the terms and conditions presented at this meeting, the Trustees hereby approve the proposed settlement with LIRR and authorize the President and CEO, or his designee, to (a) execute a settlement agreement effectuating the understanding between the parties; (b) execute a new Traction Power Service Agreement for the continued provision of traction service to LIRR for the period January 1, 2009 through December 31, 2018; (c) execute new ROW Agreements for the continued easement rights to LIPA for the period January 1, 2009 through December 31, 2018; and (d) perform such further acts and deeds as may be necessary, convenient or appropriate, in the judgment of the President and CEO or his designee, to implement the proposed settlement, as set forth in the accompanying memorandum.

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Acting Chairman Steinberg stated that the next item on the agenda is the consideration of the approval of a resolution authorizing the Authority to issue bonds. After requesting a motion on the matter, which was seconded, the Acting Chairman indicated that the matter would be presented by Mr. Kane.

Mr. Kane stated that the Trustees are being asked to authorize the President and Chief Executive Officer, or his designee, to issue up to \$150 million of new Authority bonds for the purpose of refunding currently outstanding LIPA debt. He continued that the Audit and Finance Committee was briefed on the proposal earlier in the day, when they took official action to recommend that the full Board adopt this resolution to authorize the issuance of these bonds.

Mr. Kane stated that current market conditions have presented the Authority with potential opportunities to refund certain outstanding bonds and outstanding non-callable bonds of the Authority for savings. He continued that while these bonds are not callable and traditionally would not be available for refunding, because the potential bonds to be refunded are trading at a significant discount to their par value, the Authority may be able to purchase those bonds at discounted levels, which would generate savings. He added that as these bonds are non-callable, any refunding would be effected by purchasing the outstanding bonds from current investors either through an open tender process or through direct negotiations with existing owners of large individual holdings.

Mr. Kane stated that the savings would be achieved by issuing new debt to refund existing debt whereby the debt service - the principal and interest on the new debt, plus all the costs associated with the issuing of the new debt - is less than the debt service of the existing debt. He continued that based on current market conditions, the Authority believes that savings could be in excess of 2.5

percent. He added that some of the potential refunding candidates have related interest rate swaps associated with them. He noted that as a result of the refunding of these bonds, the swap would be terminated in part or in whole or offset with a new swap.

Mr. Kane stated that any required payment resulting from the termination or entering into offsetting swaps would be funded from the bond proceeds and included in the determination of net savings in order to achieve the minimal level of 2.5 percent. He continued that refunding bonds would be issued at a fixed rate with maturities not to exceed the final maturity of the refunded bonds. He added that refunding bonds may be sold either through a negotiated or competitive public offering or through a private placement.

Mr. Kane reported that the Authority's financial advisor, PFM, was consulted on this matter and recommends pursuing these refunding opportunities and setting a minimal level of savings of 2.5 percent of aggregate debt service of the refunded bonds. He added that in conjunction with any tender offer or negotiated purchase of outstanding Authority bonds to be refunded, the Authority's financial advisor will certify as to the fairness of the pricing of the redeemed bonds. He called for any questions on the matter.

Acting Chairman Steinberg stated that he had a comment to make. He continued that it should be very reassuring to the public, and it is certainly

reassuring to the Trustees, that in this difficult bond market environment, LIPA is able to go to market. He continued that this is an endorsement of LIPA's fiscal and financial responsibility, a very important point. He asked Mr. Kane to clarify that the 2.5 percent to which he referred equates to about \$3 million in annual savings.

Mr. Kane stated that the 2.5 percent equates to a net present value savings of \$2 million.

Acting Chairman Steinberg asked for public comment. After hearing none, the Chairman called for a vote on the motion which was approved unanimously:

922.

LONG ISLAND POWER AUTHORITY

RESOLUTION

ADOPTING RESOLUTIONS RELATING TO THE ISSUANCE OF ELECTRIC SYSTEM GENERAL REVENUE BONDS FOR THE PURPOSES OF REFUNDING CERTAIN OUTSTANDING AUTHORITY BONDS, AND THE EXECUTION OF ONE OR MORE FINANCIAL CONTRACTS AND OTHER RELATED AGREEMENTS

WHEREAS, Long Island Power Authority (the "Authority") is authorized by the Long Island Power Authority Act (the "Act") to issue its bonds for any purposes authorized thereby and to adopt bond resolutions establishing the contract with its bond and note holders; and

WHEREAS, on May 13, 1998 the Authority adopted its Electric System General Revenue Bond Resolution (the "General Resolution"), which, consistent with the Act, authorizes bonds of the Authority, designated as "Electric System General Revenue Bonds" (the "Bonds"), as special obligations of the Authority in

accordance with the terms thereof for, among other purposes, refunding other Bonds and other obligations of the Authority; and

WHEREAS, the Authority may sell Bonds on a negotiated basis to one or more underwriters for resale to the public or by private placement to one or more investors at such price or prices as the Authority shall determine; and

WHEREAS, Section 205 of the General Resolution requires that the issuance of each series of Bonds by the Authority shall be authorized by a supplemental resolution or resolutions of the Authority adopted at or prior to the time of issuance, subject to further delegation to certain officers to establish the details of the terms of such Bonds; and

WHEREAS, the Authority wishes to authorize the issuance of Bonds (the "Refunding Bonds") for the purpose of refunding all or a portion of any outstanding series of Bonds or Subordinated Bonds (any Bonds or Subordinated Bonds to be refunded being hereinafter referred to as the "Bonds to be refunded") and for various related purposes, which Refunding Bonds shall be in an aggregate principal amount not to exceed \$150,000,000; and

WHEREAS, in order to achieve such purposes there has been prepared and submitted to the Trustees a form of Fifteenth Supplemental Resolution (the "Fifteenth Supplemental General Resolution"); and

WHEREAS, the General Resolution permits the Authority to enter into Financial Contracts (as defined therein), which include interest rate caps or collars and forward rate, future rate and other interest rate exchange agreements with Qualified Counterparties (as defined therein); and

WHEREAS, the Authority has determined that the use of such exchange agreements is appropriate in certain circumstances but recognizes that certain risks can arise in connection with their use and the Authority has adopted guidelines (the "Guidelines") for the use of such agreements in order to assure that such agreements are used for appropriate purposes and to assure that the risks potentially associated with such agreements are effectively managed and minimized; and

WHEREAS, the Authority has entered into interest rate exchange agreements relating to certain of the Bonds to be Refunded and, to the extent that such Bonds are refunded, it is anticipated that such interest rate exchange agreements will be reallocated to other bonds of the Authority, terminated or offsetting interest rate exchange agreements will be entered into, as determined by the President and Chief Executive Officer or his designee; and

WHEREAS, under current market conditions the Authority has determined that it may achieve debt service savings by entering into one or more such interest rate exchange agreements relating to all or a portion of the Refunding Bonds and/or

the Bonds to be Refunded pursuant to which the Authority and the counterparties thereto would agree to make payments to one another based principally upon certain indices, formulae or methods to be specified therein; and

WHEREAS, the decision as to which specific strategy or strategies to be employed in connection with such new or existing interest rate exchange agreements and the indices, formulae or methods to be used in calculating payments to be made to the Authority or the counterparties will be made by the President and Chief Executive Officer or his designee, taking into account market conditions and the advice of the Authority's Financial Advisor, with the intention of lowering the effective rate of interest payable in connection with the Authority's indebtedness consistent with interest rate and other risk considerations;

NOW, THEREFORE, BE IT RESOLVED BY THE TRUSTEES OF THE LONG ISLAND POWER AUTHORITY, AS FOLLOWS:

1. The Fifteenth Supplemental General Resolution, in the form presented to this meeting and made a part of this resolution as though set forth in full herein, is hereby approved and adopted. The President and Chief Executive Officer or his designee is hereby authorized to deliver the Fifteenth Supplemental General Resolution to The Bank of New York, as the Trustee for the Bonds, with such amendments, supplements, changes, insertions and omissions thereto as may be approved by the President and Chief Executive Officer or his designee, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby.

2. The President and Chief Executive Officer or his designee is, authorized to sell all Bonds issued pursuant to the Fifteenth Supplemental General Resolution either on a negotiated basis (i) to one or more underwriters for resale to investors or (ii) by private placement to one or more investors at such price or prices (including but not limited to the current owners of the Bonds to be Refunded in exchange for the Bonds to be Refunded), all as more particularly provided in the Fifteenth Supplemental General Resolution and as they shall determine to be the most cost effective and advantageous for the Authority.

3. Each Authorized Representative (as defined in the General Resolution) is hereby authorized with respect to each series of the Refunding Bonds, to execute and deliver a Bond Purchase Agreement (as defined in the Fifteenth Supplemental General Resolution) in substantially the form of the bond purchase agreement executed by the Authority in connection with the issuance of the Authority's Electric System General Revenue Bonds, Series 2009A, with such modifications thereto as any Authorized Representative of the Authority, upon the advice of counsel to the Authority, approves, which approval shall be

conclusively evidenced by the execution thereof by such Authorized Representative.

4. Each Authorized Representative is hereby authorized and directed to execute and deliver any and all documents, including but not limited to the execution and delivery of one or more official statements or other disclosure documents and instruments and to do and cause to be done any and all acts necessary or proper for carrying out each Bond Purchase Agreement, the issuance, sale and delivery of the Authorized Bonds and for implementing the terms of each Bond Purchase Agreement, and the transactions contemplated thereby, the Fifteenth Supplemental General Resolution and this resolution.

5. The President and Chief Executive Officer or his designee is, authorized to enter into interest rate exchange agreements relating to the Refunding Bonds or the Bonds to be Refunded with such Qualified Counterparties (as defined in the General Bond Resolution) as such officers may select in accordance with the Guidelines, which agreements shall (i) relate to a notional amount of not more than \$150,000,000 in the aggregate, provided that, in applying such aggregate limit, basis swaps entered into in connection with or after entering into other interest rate exchanges shall not be taken into account, (ii) commence on such date or dates as the President and Chief Executive Officer or his designee specifies, (iii) have a term ending on or prior to the anticipated final maturity of the bonds to which they relate, as the President and Chief Executive Officer or his designee specifies, (iv) provide for payments to the Authority determined based upon such index, formula or method as may be approved by the President and Chief Executive Officer or his designee, and (v) otherwise be in accordance with the Guidelines and substantially in the form of interest rate exchange agreements entered into by the Authority in relation to other interest rate exchange transactions, with such changes and additions to and omissions from such form as such authorized executing officer deems in his discretion to be necessary or appropriate, such execution to be conclusive evidence of such approval. In connection with the authorizations herein set forth, the Authority has determined, after consideration of the risks inherent in the use of interest rate exchange agreements, including those outlined in the President and Chief Executive Officer's memo submitted to the Trustees relating thereto and the advice of the Authority's financial advisor relating to the use of the proposed interest rate exchange agreements, that (a) the use of such interest rate exchange agreements may, in the judgment of the Authority, result in lowering the effective rate of interest payable in connection with the Authority's indebtedness, (b) the risks of the proposed interest rate exchange agreements are both manageable and reasonable in relation to the potential benefits; and (c) the potential interest rate exchange agreements are necessary or convenient in the exercise of the power and functions of the Authority under the Act.

6. As and to the extent that Refunding Bonds are issued for the purpose of refunding Bonds to be Refunded with respect to which there are

existing interest rate exchange agreements, the President and Chief Executive Officer or his designee is, authorized to (i) allocate such interest rate exchange agreements to such other outstanding Authority bonds, (ii) terminate such agreements or (iii) enter into other interest rate exchange agreement for the purpose of offsetting in whole or in part the payments which would otherwise be payable by the Authority under such agreements, as such officer may determine appropriate so as to permit the Authority to obtain the benefit of such interest rate exchange agreements or to minimize the cost associated with the refunding.

7. The President and Chief Executive Officer or his designee is also authorized to negotiate with, tenders from and enter into agreements with all or a portion of the holders of the Bonds to be Refunded in order to purchase such bonds with the proceeds of the Refunding Bonds and then to cancel bonds so purchased. Authority staff shall retain the services of an independent, knowledgeable firm to certify as to the fairness of the pricing of bonds redeemed through tender offer or negotiated purchase.

8. Each Authorized Representative is hereby authorized and directed to execute and deliver any and all documents and instruments and to do any and all acts necessary or proper for carrying out and implementing the terms of, and the transactions contemplated by the proposed interest rate exchange agreements and this resolution and each of the documents authorized thereby and hereby.

9. This resolution shall take effect immediately.

* * *

Acting Chairman Steinberg stated that the next item on the agenda is the consideration of the approval of the engagement of firms to provide legal services. After requesting a motion on the matter, which was seconded, the Acting Chairman indicated that the matter would be presented by Ms. Nicolino.

Ms. Nicolino stated that the Trustees are being requested to approve a resolution authorizing the President and Chief Executive Officer, or his designee, to engage six firms to provide as-needed legal services to the Authority and its

subsidiary, LIPA for a period of five years. She continued that this is done to supplement LIPA's limited in-house resources and to replace contracts that have either expired or are due to expire in the near future.

Ms. Nicolino stated that in accordance with LIPA's general procurement practices, on December 15, 2008, LIPA issued a Request for Proposals ("RFP") seeking experienced law firms to provide legal services to LIPA in the following practice areas: 1) Corporate and Securities; 2) Complex Litigation; and 3) State Regulatory. She continued that on January 23, 2009, twenty-one firms responded to the RFP.

Ms. Nicolino stated that a selection committee comprised of LIPA's legal staff carefully examined each proposal, measuring the proposals in terms of consistency with the RFP and conducting a qualitative evaluation on that basis. She continued that the selection committee then conducted interviews of the top-qualifying firms in each practice area in order to more fully evaluate the firms' capabilities in any given practice area. She added that based on the written proposals, interviews, and assessment of LIPA's needs, it was determined that six firms provide the best value to LIPA for all of the scopes of service, considering both their technical expertise and the proposed hourly rates. She noted that LIPA believes it is in its interest to have more than one firm provide service in any given practice area, for a variety of reasons, including managing conflict situations.

Ms. Nicolino stated that the committee is recommending the engagement of Morgan, Lewis & Bockius for corporate and securities as well as complex litigation services. She added that Morgan, Lewis & Bockius currently serves as LIPA's corporate and securities counsel, but on an interim basis pending the outcome of this RFP.

Ms. Nicolino stated that the committee also requests the engagement of Holland + Knight for corporate and securities and complex litigation services. She added that Holland + Knight has provided service to LIPA in the past, but she noted that they do not have a current contract with LIPA.

Ms. Nicolino stated that the committee is asking for the engagement of Rivkin Radler for complex litigation services. She continued that Rivkin Radler has been providing services to LIPA on a long-term, open-ended contract. She added that this would put them in the procurement cycle going forward.

Ms. Nicolino stated that the committee is asking for the engagement of Couch White, Read & Laniado, and Harris Beach, all for different areas of state regulatory practice. She continued that Couch White and Read & Laniado have existing contracts with LIPA, and that Harris Beach would be new to LIPA in this scope of service.

Ms. Nicolino stated that for the reasons contained in the memo, and as provided in the briefings to the Trustees, the committee believes that each of the firms provide value to the Authority going forward and LIPA is asking for authorization at this time.

Trustee Sinnreich asked about LIPA's limited in-house resources. He asked if Ms. Nicolino believes that realistically, given LIPA's salary structure and so forth, if LIPA could save money by bringing any of this expertise in-house.

Ms. Nicolino stated that she and President Law have talked about this issue a lot, particularly with respect to niche areas where LIPA has had large billings for outside counsel. She continued that LIPA is currently in the process of recruiting in-house resources for some of the areas on which LIPA spends a lot for outside counsel. She added that LIPA is constantly looking at that and always looking to expand its in-house resources to the extent that it is cost effective going forward.

President Law stated that LIPA currently has two openings right now, including a FERC-related position as well as a Deputy General Counsel position. He added that when he sees Ms. Nicolino in her office at 9:00 pm at night, he realizes that he needs to get her assistance. He noted that he is looking at hiring someone to compliment Ms. Nicolino's skills.

President Law stated that with respect to other cost-saving efforts, LIPA has not had a good case yet to refer to the Attorney General's Office, which is actually good news because LIPA has not been sued as of late.

President Law stated that he is examining the issue of in-house resources in terms of other consultants as well, not just legal. He continued that to the extent that LIPA can bring consultants on board as staff to save money, it should. He added that he has demonstrated that twice in the past year, and he is looking at further opportunities.

Trustee Sinnreich stated that it is a buyer's market for legal talent right now, and that it is a good time to be looking.

Trustee Fragin asked with regard to the engagement rates listed, if they are the rates for the life of the contract or if there is an escalation built in.

Ms. Nicolino first noted that the rates provided to the Trustees are the rates that the firms proposed to be charged. She continued that LIPA, of course, always tries to negotiate lower rates, and that once the Board authorizes the engagement, LIPA will seek to do so for these contracts. She then noted that with respect to escalations, the firms are required to hold their pricing for the first two years of the engagement and then any increase is tied to a CPI index for the balance of the term.

Acting Chairman Steinberg stated that he hopes, and which he believes is the case, that LIPA is not contractually bound to retain any of these firms for any particular project. He added that he also hopes, and which he also believes is the case, that LIPA would have discussions with the firms about each engagement and the pricing of the engagement. He noted that where fixed fees could be obtained at a lower cost than hourly rates, then LIPA should be doing that as well.

President Law stated that he agrees with the Acting Chairman, and that LIPA should always be looking at alternative billing rates whenever it can.

Acting Chairman Steinberg asked for public comment. After hearing none, the Acting Chairman called for a vote on the motion which was approved unanimously:

923. ENGAGEMENT OF FIRMS TO PROVIDE LEGAL SERVICES

RESOLVED, that consistent with the attached memorandum, the President and Chief Executive Officer or his designee be, and hereby is, authorized to engage the following law firms to provide legal services to the Authority and LIPA on an as-needed basis, with the contract terms to be five years: 1) Morgan Lewis & Bockius, LLP; 2) Holland + Knight; 3) Rivkin Radler; 4) Read and Laniado, LLP; 5) Couch White LLP; and 6) Harris Beach.

* * *

Acting Chairman Steinberg stated that the next item on the agenda is the consideration of the approval of the appointment of a Chief Financial Officer.

Before requesting a motion on the matter, the Acting Chairman indicated that the matter would be discussed by President Law.

President Law stated that he is happy to make a recommendation to the Board for a new Chief Financial Officer for the Authority. He continued that he interviewed over a dozen really good, solid candidates. He added that just as Trustee Sinnreich had alluded to regarding the market for legal talent, there is also a buyer's market for financial talent, and so LIPA saw a really good group of candidates.

President Law reported that he zeroed in on one individual whom he is recommending today, Herb Hogue, who comes to LIPA with excellent credentials. He continued that Mr. Hogue received his MBA in Energy Finance from Harvard and his undergraduate degree in Engineering from Stanford, which affords him knowledge of the technical aspects of the industry. He noted that Mr. Hogue also has a Masters from the University of Pennsylvania.

President Law reported that Mr. Hogue was most recently the CFO for Seattle City Light, which is one of the largest public utilities in the country, with over 400,000 customers. He stated that Seattle City Light is one of the greenest utilities in the country, and also one with the lowest rates in the country. He continued that Mr. Hogue also has independently owned utility experience having been a Vice President for Finance at American Electric Power in Ohio. He added

that Mr. Hogue has also worked on the generation and development side of the industry when he worked for Calpine.

President Law reported that Mr. Hogue comes to LIPA with a wide variety of industry knowledge on the financial side, on the development side, on the private utility side, and on the public utility side. He stated that Mr. Hogue has expertise in financial planning and debt management, and that he understands rate setting and managing hedging programs. He continued that Mr. Hogue is interested in helping him and the Board with strategic planning to determine where LIPA is going over the next few years.

President Law stated that Mr. Hogue led Seattle City Light to two bond rating increases after the west coast energy crisis impacted the utilities. He continued that with Mr. Hogue's debt management expertise and his overall knowledge of the history, he was the best candidate to be recommended to the Board.

President Law stated that Mr. Hogue interviewed with both the Finance and Audit Committee and the Personnel and Compensation Committee this morning. He continued that references and background checks came back squeaky clean and with terrific endorsements from everyone with whom he spoke. He added that he spoke with the three credit rating agencies yesterday about Mr. Hogue's

candidacy, and they all seemed very impressed. He noted that the rating agencies look forward to meeting with Mr. Hogue, which he promised he would arrange.

President Law stated that he endorses Mr. Hogue to the Board. He added that it is one of four positions that the Board has to approve. He further noted that his recommendation is without hesitation.

After requesting a motion on the matter, which was seconded, the Acting Chairman added to President Law's comments. He stated that this is a critical position for LIPA, and that he thinks that Mr. Hogue is a great candidate. He added that he thinks Mr. Hogue will do a great job for LIPA and its ratepayers. He noted that Mr. Hogue has all the right credentials and experience to handle this difficult job.

After hearing no further comments, the Acting Chairman called for a vote on the motion which was approved unanimously:

924. APPOINTMENT TO OFFICE OF CHIEF FINANCIAL OFFICER

RESOLVED, that Herb Hogue be, and hereby is, appointed to the Office of Chief Financial Officer, effective on or about May 15, 2009, until the earlier of his resignation or removal; and be it further

RESOLVED, that the incumbent of the Office of Chief Financial Officer shall be an officer of the Long Island Power Authority ("Authority") and its subsidiary, LIPA, within the meaning of the Authority's enabling legislation (Chapter 517 of the Laws of 1986), as amended, including Section 1020-bb of the Public Authorities Law, and all other applicable laws.

* * *

The Acting Chairman then allowed public comment to be heard, after which he announced that the next Board meeting is scheduled for May 28, 2009 at 11:00 a.m. at Suffolk County Community College.

925. EXECUTIVE SESSION - PURSUANT TO SECTION 105 OF THE PUBLIC OFFICERS LAW

RESOLVED, that pursuant to Section 105 of the Public Officers Law, the Trustees of the Long Island Power Authority shall convene in Executive Session for the purpose of discussing acquisition of property and securities.

* * *

At approximately 12:41 p.m. the open session of the Board of Trustees was temporarily adjourned on motion into Executive Session to discuss the proposed acquisition of property and securities.

After noting that no votes were taken in the Executive Session, Acting Chairman Steinberg entertained a motion to adjourn, which was duly made and seconded, after which the meeting ended at 1:23 p.m.

Respectfully submitted,

Lynda Nicolino